



Global Satellite Solutions

ASX Release
27 January 2015

JABIRU-1 SATELLITE PROJECT UPDATE

NewSat Limited (ASX: NWT, OTCQX: NWTLY), Australia's satellite company, provides the following update in relation to its Jabiru-1 project financing and construction arrangements.

Jabiru-1 project financing

As previously announced last year, NewSat obtained a formal waiver for an alleged technical breach of its Jabiru-1 satellite project financing facilities. NewSat and the lenders have been in ongoing discussions concerning satisfaction of the outstanding conditions and the basis on which debt funding could recommence. Recent discussions focused primarily on the delivery date for Jabiru-1 and a potential extended delay to the project if the satellite is delivered late (due to potentially missing the launch window). NewSat and the lenders are also discussing these concerns with Lockheed Martin Corporation ('Lockheed Martin'), the satellite manufacturer of Jabiru-1. Lockheed Martin has expressed confidence in meeting its expected delivery date for Jabiru-1 for Q1 2016, if a mutually agreeable resolution to the outstanding issues is achieved shortly, as described below.

Also as previously announced, additional equity is expected to be required in connection with the recommencement of debt funding. NewSat has received conditional proposals to invest or underwrite up to \$60 million in equity and is considering these proposals with the lenders.

While the Jabiru-1 satellite project financing facilities may not currently be drawn upon, the agreements have not been terminated and the parties are in continued discussions on how to resolve the outstanding issues.

Arrangements with Jabiru-1 satellite manufacturer, Lockheed Martin

Given the delays in the recommencement of debt funding, payments to Lockheed Martin have become overdue. This has caused Lockheed Martin to give notice that NewSat is in default of the contract for the construction of the Jabiru-1 satellite in respect of overdue payments of US\$21 million and issued a termination notice to NewSat in respect of such contract.

Over recent weeks, NewSat has been working with Lockheed Martin and the lenders to resolve the outstanding matters. Now that Lockheed Martin has issued a termination notice, there is an extended cure period during which the default may be remedied. NewSat understands that Lockheed Martin is continuing with construction of the satellite at this time. NewSat, Lockheed Martin and the lenders are meeting regularly with a view to remedy the default, agree the terms on which debt funding could recommence and resolve all outstanding issues.

NewSat is confident that if debt funding recommences and payment is made to Lockheed Martin shortly construction of the satellite by Lockheed Martin will not slow down or be stopped, with the delivery of Jabiru-1 expected on schedule for the current launch window (March to May 2016).

NewSat will update the market on developments as appropriate.

NewSat Limited

Level 4, 6 Riverside Quay Southbank Vic 3006 Australia
T +61 3 9674 4644 F +61 3 9674 4655 ABN 12 003 237 303

newsat.com

About NewSat:

NewSat is Australia's largest pure-play satellite communications company, delivering internet, voice, data and video communications via satellite. With award winning and unique-to-Australia teleport infrastructure, NewSat has a reputation as the partner of choice for enterprise and government customers around the world. Today, NewSat provides secure and reliable connectivity to 75% of the globe.

NewSat proposes to expand its satellite capabilities with the Jabiru Satellite Program. Set to launch Australia's first commercial Ka-band satellite, Jabiru-1 will provide high-powered, flexible capacity over the MENA and Jabiru-2, launched in 2014, will deliver highly targeted coverage across Australasia. For more information, please visit www.newsat.com

For further information:

Investors

Adrian Ballantine, Founder & Chief Executive Officer

Linda Dillon, Chief Financial Officer & Company Secretary: +61 3 9674 4644

Media

Kathryn Norton, Marketing & Communications Manager: +61 3 9674 4644

Media kit: www.newsat.com/mediakit